Supreme Court, U.S.
FILED
SEP 12 1986
JOSEPH F. SPANIOL, JR.
CLERK

No. 86-215

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1986

---

J. A. LAPORTE, INC.,
*Petitioner,*

v.

NORFOLK DREDGING CO.,
*Respondent.*

---

**On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit**

---

## RESPONDENT'S BRIEF IN OPPOSITION

---

*Of Counsel:*
ROBERT A. VANDERHYE
NIXON & VANDERHYE, P.C.
2000 N. 15th Street
Arlington, VA 22201
(703) 875-0400

FRANCIS N. CRENSHAW
CRENSHAW, WARE & JOHNSON
1640 Sovran Centre
One Commercial Place
Norfolk, VA 23510
(804) 623-3000
*Counsel for Respondent*

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

12pp

## QUESTION PRESENTED

Should this Court grant Certiorari in a case involving no special or important issues which is based on a factual finding of the District Court which was not found to be clearly erroneous by the Court below?

## PARTIES TO THE PROCEEDING BELOW

The only parties to the proceeding below are the two listed in the caption.*

---

* Respondent Norfolk Dredging Company has no parent company, subsidiaries (except wholly owned subsidiaries), or affiliates.

TABLE OF CONTENTS


| | Page |
|---|---|
| QUESTION PRESENTED | i |
| PARTIES TO THE PROCEEDING BELOW | ii |
| TABLE OF AUTHORITIES | iv |
| I. STATEMENT OF THE CASE | 1 |
| II. SUMMARY OF ARGUMENT | 3 |
| III. ARGUMENT | 3 |
| A. The Cucheran Cone was Clearly on Sale More than One Year Prior to the Filing of the Patent Application | 3 |
| B. The Federal Circuit Court did not Make any New Findings of Facts. It Simply Adopted the Factual Findings of the District Court | 5 |
| C. This Case has no Broad Applicability to Warrant the Consideration of this Court by Granting a Writ of Certiorari | 6 |
| IV. CONCLUSION | 7 |

## TABLE OF AUTHORITIES


| *CASES* | Page |
|---|---|
| *Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950) | 6 |
| *Dennison Manufacturing Company v. Panduit Corp.*, 106 S.Ct. 1578 (1986) | 6 |
| *STATUTES* | |
| 35 USC § 102 | 1, 6 |
| *RULES* | |
| Rule 52(a), F.R.Civ.P. | 6 |

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1986

---

No. 86-215

---

J. A. LAPORTE, INC.,
*Petitioner,*

v.

NORFOLK DREDGING CO.,
*Respondent.*

---

**On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit**

---

## RESPONDENT'S BRIEF IN OPPOSITION

---

### I. STATEMENT OF THE CASE

Both the District Court and the Court of Appeals for the Federal Circuit found the patent in suit invalid because it was "on sale" more than a year prior to the filing of the patent application. This is a statutory bar to the validity of a patent, established by 35 U.S.C. § 102(b). The following relevant facts are uncontroverted, having been found by the District Court and found "not clearly erroneous" by the Court of Appeals for the Federal Circuit.

Edward Cucheran ("Cucheran") invented a cutter cone used in the dredging industry. Robert Jantzen ("Jantzen"), the President of Jantzen Engineering Company, became the sales agent for Cucheran in the United States. By the time of trial he had acquired a one-third interest in the patent throughout the United States with the exception of the southeast portion of the United States, which area had been given to LaPorte as its exclusive sales area.

Jantzen took a photograph of the Cucheran cone in Cucheran's presence and without any injunction of secrecy from Cucheran. Utilizing the photograph, which is itself an enabling description of the invention, Jantzen urged LaPorte to give the Cucheran cone a try and gave LaPorte's President, John MacDonald ("MacDonald"), a copy of the photograph with no requirement for MacDonald to maintain any secrecy concerning the photograph.

Prior to December 7, 1980 (the statutory bar date) LaPorte placed an order for the cutter cone with Jantzen. Thereupon Jantzen contracted with Ackerman and Baynes ("Ackerman")—an engineering and manufacturing concern— to fabricate a cone to fill LaPorte's order. The photograph was also given to Ackerman without any injunction of secrecy and with the specific knowledge that Ackerman often took photographs of products being produced and hung them on the walls of their offices for display.

Thereupon, Ackerman proceeded to fill Jantzen's order using the same procedure it had followed in the past for other orders placed by Jantzen wherein he ordered equipment to be manufactured for LaPorte where the desired object was not in inventory and was in the nature of a "custom made" job. Jantzen's standard procedure was that he would pay Ackerman for its work (which included a profit) and then deliver the material or equipment to LaPorte on the basis of the Ackerman bill plus

15% profit to Jantzen. This procedure was followed with respect to the Cucheran cone. Ackerman billed Jantzen for its work including profit and Jantzen billed LaPorte for his cost plus 15% for his services.

## II. SUMMARY OF ARGUMENT

A. The Cucheran cone was clearly on sale more than one year prior to the filing of the patent application.

B. The Federal Circuit Court did not make any new findings of facts. It simply adopted the factual findings of the District Court.

C. This case has no broad applicability to warrant the consideration of this Court by granting a writ of certiorari.

## III. ARGUMENT

### A. The Cucheran Cone was Clearly on Sale More than One Year Prior to the Filing of the Patent Application.

The District Court expressly concluded that there was a sale between LaPorte and Jantzen. Specific findings made by the Court include the following:

> 1. "The purchase arrangement between LaPorte and Jantzen for the construction of the Cucheran cone occurred in November, 1980 . . ." (Appendix B, p. 15a).
>
> 2. "To refute what was obviously a sale, plaintiff argues that the purchase in November, 1980 was just 'experimentation' and not a commercial sale of the invention." (Appendix B, p. 18a).
>
> 3. "This Court therefore concludes that the supportive assertions made at trial, each in favor of the other [by Jantzen and MacDonald], and their efforts to make the November, 1980 sale into something else (for instance, an experiment) is clouded with their obvious self-interest and their credibility was seriously affected thereby." (bracketed material added) (Appendix B, p. 21a).

4. "About November 4, 1980 MacDonald, president of LaPorte, contacted Jantzen and ordered the cone for LaPorte's use." (Apppendix B, p. 15a).

5. "Jantzen, an engineer in the dredging field, had exhibited his 1978 photograph of the Cucheran cutter cone invention to LaPorte's president, John MacDonald, and had urged him to use it. . . . The evidence is unassailable that MacDonald, as president of LaPorte, ordered the Cucheran cone in November, 1980." (Appendix B, p. 18a).

Thus the District Court expressly found that the transaction was a sale in November of 1980, that it was a commercial sale, that LaPorte ordered the cone for its own commercial use and that the order was placed in response to Jantzen's urging that LaPorte use the cutter cone. The petitioner's argument that there was no sale because the transaction was generated by the Buyer and not the Seller has no merit. The Court of Appeals for the Federal Circuit agreed that the cone was "on sale" and specifically found that it made no difference whether Jantzen "solicited" a sale from LaPorte or whether LaPorte made an offer to buy the cone which offer Jantzen accepted.

The Federal Circuit Court made the following express statements:

1. "Whether we consider that Jantzen's promotion of the Cucheran extension to his 'best customer,' LaPorte, was an offer of sale which LaPorte accepted by ordering the extension from Jantzen or that La Porte's purchase order was an offer to buy which Jantzen accepted, either proposition results in a sale before the critical date." (Appendix A, p. 6a).

2. "The district court found that LaPorte ordered the extension from Jantzen. See supra note 5. As evidence in support of that finding, we note that LaPorte repeatedly says it was Jantzen's 'best customer'. Moreover, LaPorte's president testified that

> he ordered the extension from Jantzen. Finally, Ackerman & Bay billed Jantzen, not LaPorte, and LaPorte paid Jantzen his normal fee of cost (as billed by Ackerman) plus 15%. . . . The finding that LaPorte ordered the extension from Jantzen is not clearly erroneous." (Appendix A, p. 7a).

3. "Thus a sale of the patented invention occurred between Jantzen and LaPorte before the critical date. LaPorte's arguments that its acquisition of the device should be treated the same as if LaPorte had itself made the device or directly ordered Ackerman and Baynes to make the device ignore the critical finding with respect to the role of Jantzen and are, therefore, rejected." (Appendix A, p. 7a, 8a).

**B. The Federal Circuit Court did not Make any New Findings of Facts. It Simply Adopted the Factual Findings of the District Court.**

The clear language of the Federal Circuit Court's decision demonstrates that the Court of Appeals did not make any *de novo* fact findings, but instead merely adopted the factual findings of the District Court, which it held were not clearly erroneous.

That is, the Federal Circuit Court in quoted portions 1-3 above specifically held that the District Court's factual findings that LaPorte had ordered the cone *from Jantzen* were not clearly erroneous. Nowhere did the Federal Circuit Court say that Jantzen "solicited" a sale from LaPorte, even though it would have been justified in surmising that the District Court made such a holding from the finding of the District Court that Jantzen *urged* MacDonald to use the cone and then MacDonald *ordered* the cone *from Jantzen.* The District Court's "critical finding" with respect to the role of Jantzen was that he urged LaPorte to try the cone, and then accepted LaPorte's order for the cone.

If the factual findings of the District Court mandate a conclusion that the cutter cone was "on sale" more than one year prior to the date of the filing of the patent application, this is a statutory bar under 35 U.S.C. § 102(b). The conclusion that the Cucheran patent is invalid is inescapable.

Since there has merely been an affirmation by the Court of Appeals for the Federal Circuit of the fact findings made by the District Court, the Two Count Rule of *Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950) indicates this Court should decline to review this case.

This case has no common thread with *Dennison Manufacturing Company v. Panduit Corp.*, 106 S.Ct. 1578 (1986), cited by LaPorte. In *Dennison*, the case was remanded for further consideration in view of F.R.Civ.P. Rule 52(a) in a situation where the District Court was *reversed* without explanation of why the Federal Circuit weighed the evidence differently than the District Court did. Here, *all* factual findings of the District Court that are relevant were *specifically found* not to be clearly erroneous, and the judgment from the District Court was *affirmed.*

**C. This Case has no Broad Applicability to Warrant the Consideration of this Court by Granting a Writ of Certiorari.**

This case has no broad applicability whatsoever. It involves, in the scope of things, a minor disagreement between two parties. Its impact is not important to society at large. It does not deal with any significant legal issues that have applicability to anyone besides the parties here. It is a cut and dried, simple, "on sale" patent invalidity case. Under such circumstances, the granting of the Petition is totally unwarranted.

## IV. CONCLUSION

LaPorte's Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

*Of Counsel:*
ROBERT A. VANDERHYE
NIXON & VANDERHYE, P.C.
2000 N. 15th Street
Arlington, VA 22201
(703) 875-0400

FRANCIS N. CRENSHAW
CRENSHAW, WARE & JOHNSON
1640 Sovran Centre
One Commercial Place
Norfolk, VA 23510
(804) 623-3000
*Counsel for Respondent*